

STATE PROPERTIES COMMITTEE

Tuesday, December 7, 2004

The meeting of the State Properties Committee was called to order at 8:32 A.M. by Chairman Jerome F. Williams. Other members present were, Genevieve Allaire Johnson, Esquire, representing the Department of Attorney General, Mr. Robert Griffith, representing the Department of Administration, and Mr. Thomas Barry. Also present were, Ms. Marlene McCarthy-Tuohy and Mr. John Ryan, from the Department of Administration; Ms. Maureen McMahon and Vera DiLuglio, Esquire and, Messrs. Daniel Clarke, Rick Kalunian, Paul Carcieri, Thomas J. Queenan, and Vera DiLuglio, Esquire, from the Department of Transportation; Jane Morgan, Esquire, from the Department of Mental Health, Retardation & Hospitals; Ms Lisa Primiano and Mr. Joseph Dias from the Department of Environmental Management; Mr. Adam Gertsacov from Bright Night Providence; Messrs. Joseph Baxter and Paul. Petit, from the Judiciary; Mr. Scott Peterson, Mr. Steven J. Peterson and Ms. Annette Peterson; Mr. James Berson, from The Providence Center; Mr. Harvey Perry, from the Westerly Land Trust; Ms Lisa Bryer, and Messrs. Tom Tighe and Mark Haddad, from the Town of Jamestown; Chief Deputy State Fire Marshal Michael DiMascolo; Mr. Michael Farrell, from the Providence Fire Department; Mr. Michael Corkery, from The Providence Journal; Mr. Darryl Jett, from the Providence City Hall; Mr. Harvey Perry, from the Westerly Land Trust; and Mr. Thomas Hodge, from the Office of the Auditor General.

The Minutes of the meeting held on November 23, 2004 were approved with a correction to Item "D". A correction was made in the third sentence on page 4. The sentence should read "...and it is anticipated that a final appraiser will be chosen within a week or two."

1. OLD BUSINESS

2. NEW BUSINESS – Miscellaneous - The next meeting of the State Properties Committee is scheduled to be held on Tuesday, December 21, 2004.

ITEM D – JUDICIARY – A request was made by the Judiciary for approval of Judiciary Employee and Juror Parking parking space leases.

The Judiciary addressed the issue of Juror Parking, which the Judiciary has had in place for over one year. The Judiciary has had an agreement with Metropark Ltd. Mr. Petit, from the Judiciary, referenced an Agreement of October, 2003, which was bid Bid RPF No. B02862 entitled “Juror Parking”. That agreement was with Metropark Ltd. for 110 spaces. Metropark has advised the Judiciary that it would have to relocate. Hand, in hand with that Agreement, the Judiciary also has another agreement with First Student Inc. This is under Bid No. B03214 and First Student Inc. provides the shuttle service for the Jurors. The Judiciary will enter an agreement with St. Sahag & St. Mesrob Armenian Church for 110 parking spaces. The tract of land that it proposes to relocate to is at St. Sahag & St. Mesrob Armenian Church, located 70 Jefferson Street, Providence and the Judiciary has been able to secure an area in the back to accommodate 110 parking spaces for Jurors. The Cost is \$5.00 per day per car. The term of the Agreement is from December 7, 2004 through December 6, 2005.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Judiciary for approval of two parking space leases for Judiciary employee parking and juror parking.

Passed Unanimously

ITEM A – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on Perpetual Easement Agreement with the Town of Jamestown, Route 138, Jamestown.

This Perpetual Easement will allow the Town of Jamestown's installation and operation of a subsurface well and appurtenances. The easement is for approximately 12,300 square feet of state owned property that abuts the municipal complex near Eldrid Avenue in Jamestown. The Town has represented that this property is critical for installation of a water line that will irrigate and service a nearby municipal athletic field. There is no compensation for this easement. This property was acquired by Condemnation. Mr. Carcieri referred to the next item, Item "B" which was acquired by Deed. He corrected the record of August 19, 2003, wherein the State Properties Committee Action Request Form did indicate that it was a Condemnation Taking. It was not.

A Motion was made by Mr. Barry and seconded by Mr. Griffith to approve the request of the Department for approval and signatures on Perpetual Easement Agreement with the Town of Jamestown, Route 138, Jamestown.

Passed Unanimously

ITEM B – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for reconsideration of conceptual approval to convey property located on Cedar Avenue, Assessor's Plat 419, 421 and 422, Jamestown by auction.

In August of 2003, the Department appeared before the Committee to sell via competitive bid approximately 4 acres of property located on Cedar Avenue in Jamestown. The property was acquired by the Department by Deed and necessary for

relocation of Route 138. Since that time, the Department has been approached by the Town with a letter of interest and a formal offering for the property. The Town has represented that the property is critical to the Town's watershed area. Based on the request of the Town and the formal offering for the property, the Department is seeking the recession of the August 19, 2003 conceptual approval and the approval of the Committee to convey the property directly to the Town. Under the Statute by which the property was taken, the Town has the pre-emptive right to the purchase and they seek to exercise it. Mr. Carcieri, from the Department corrected some of the language that was in the presentation memo. The property, if sold to the Town, will contain absolutely restrictive covenants, whereby the Town will not be able to develop the property at all and would be able to use it only for a watershed. In effect, there would be an open space restriction on the Deed of conveyance. There would be Deed restrictions and they would be forcible Deed restrictions. The presentation memo indicates that the property has been appraised at \$305,000.00, which it had, by an outside fee appraiser. That appraisal presumed a utility to the parcel, a full utility at the parcel to abutters and did not presume open space, Deed restrictions and conditions. Based upon that, the Town has come up with an amount of \$200,000.00 for the property, which the Department is willing to accept, given the stringent Deed covenants. Because of the necessity of the property to the Town's water supply, the Department is convinced of the necessity and is willing to accept under the value for the full utility of the property from the Town.

The Chair, Mr. Williams, questioned this new information regarding the difference in the dollar amount. A discussion ensued regarding the appraisal made. Mr. Griffith inquired if the Water Resources Board had approved the use of the Watershed Protection money. Ms. Bryer stated that it had. A lengthy discussion took place

regarding the value of the property. Ms. Allaire Johnson stated the issue is whether the State is getting fair market value, which is required under the Statute and she does not feel that it has been determined. The Committee questioned what is the fair market value and that is the issue. The Chair Mr. Williams noted that an outside appraisal had been made and suggested having that appraisal data updated based on the conditions that are limiting the property. Additional discussion took place. Mr. Griffith stated that under the circumstances he thinks it would be appropriate to reconcile the differences by going back to the original appraiser.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to table this matter until an update is made on the appraisal of the property located on Cedar Avenue, Assessor's Plat 419, 421 and 422, Jamestown.

Passed Unanimously

ITEM C – DEPARTMENT OF ADMINISTRATION – A request was made by the Department for approval of the use of the Department of Health and Department of Transportation parking lot on December 31, 2004 by Bright Night Providence for “Make This New Years Eve A Bright Night”.

This request is made for a fireworks display for December 31, 2004. This is the same request as was made last year. The Department of Health parking lot and Department of Transportation parking lot will be used. The parking lot would have to be blocked off at 5:30 A.M. so no one would enter the lot. Meetings have been held with the City of Providence regarding parking issues. Ms. McCarthy-Tuohy has distributed notices to the Health Department and the Department of Administration regarding the fact that the lot will be closed.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval of the use of the Department of Transportation parking lot on December 31, 2004 by Bright Night Providence for “Make This New Years Eve A Bright Night”.

Passed Unanimously

ITEM E – OFFICE OF THE PUBLIC DEFENDER – A request was made by the Office of the Public Defender for permission to continue occupancy at 100-110 North Main Street on a month-to-month basis until lease renewal negotiations are completed.

The Office of the Public Defender would like to continue occupancy at 100 North Main Street, Providence on a month-to-month basis until lease renewal negotiations are completed. Permitting the Office of the Public Defender to occupy this space on a month-to-month basis will allow the processing of monthly rental payments to the landlord. The Division of Purchases will not process payments until approval is granted by the State Properties Committee to continue occupancy a month-to-month basis.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Office of the Public Defender for permission to continue occupancy at 100-110 North Main Street on a month-to-month basis until lease renewal negotiations are completed.

Passed Unanimously

ITEM F – DEPARTMENT OF MENTAL HEALTH, RETARDATION & HOSPITALS – A request was made by the Department for conceptual approval for the transfer of property on Hope, Plain, Eaton, Atwood and Broad Streets, Providence to The Providence Center.

The Department of Mental Health, Retardation and Hospitals was requesting conceptual approval of the transfer of property owned by the State and leased to The Providence Center. The properties are located at 520 Hope Street, 90 Plain Street, 424 Eaton Street, 96 Atwood Street and 859 Broad Street, all in the City of Providence. The Department is considering and looking into the feasibility of transferring the property to The Providence Center. The property has been operated for many years by The Providence Center and are in disrepair. It is a concern of the Department that it cannot access the Federal funds that The Providence Center could access if it had ownership of the property. The Department and The Providence Center are looking into appraising the properties and assessing the financial feasibility of the potential transaction. Mr. James Bersen, from The Providence Center, discussed the significant concerns of the state of the properties. If the properties are transferred, restrictions would be placed on the Deeds. The Providence Center would have to use the property for the mission of the Department and if they no longer continued to use the property for State purposes, it would revert back to the Department, or, if they sold the property and did not reinvest the money in the mission statement of the Department, the value of the property would be returned to the Department.

Mr. Barry noted that a similar item was presented several months ago. He stated that the Department gave the Committee the market value of the real estate and the cost of the proposed renovations which was very helpful. The Chair, Mr. Williams inquired how the Department acquired the property. Attorney Morgan advised that she is looking into the dates of the Bond Issues. The Chair stated that the Department needs to advise the Committee how the properties were acquired by the State. The Chair said it will be important to look at the state of disrepair and the amount of work that needs to be done

on the properties and compare it to the appraised value with the limitations. Ms. Allaire Johnson expressed concerns about how the property was acquired and the concern about the State getting appropriate money for the property. Ms. Allaire Johnson stated that if the Committee approves this, that as the Department goes forward, appraisals are done on the property. She went on to say, as suggested, the Committee needs to see all of the information, including what the cost of renovations would be before the Committee could make any further determination as to whether this is something the Committee should be proving.

A Motion was made by Mr. Barry and seconded by Mr. Griffith to approve the request of the Department for conceptual approval for the transfer of property on Hope, Plain, Eaton, Atwood and Broad Streets, Providence to The Providence Center. Approval was granted subject to getting an appraisal, cost of the renovations and confirmation of the method of acquisition of the property.

Passed Unanimously

ITEM G – DEPARTMENT OF MENTAL HEALTH, RETARDATION & HOSPITALS – A request was made by the Department for conceptual approval to convey property on Bishop Hill Road, Johnston.

The surplus process has been initiated. A memo which has been received from Mr. Kevin Nelson of Statewide Planning provides information, that while they did not have any objection to disposal of the property, it would recommend that the State Properties Committee approve disposal of the property and land to a private property owner only if its use for affordable housing purposes has been fully explored and deemed impractical. The Chair Mr. Williams said, while he believes the Committee should be looking at whether affordable housing is an option, the Committee should not approve it

based on just one segment or another. A letter has been received from Rhode Island Housing providing information that Rhode Island Housing is interested in developing an affordable home ownership opportunity on the site in partnership with a non-profit sponsor and they would be happy to meet with the State Properties Committee to discuss a potential project. At this time, the Department is requesting conceptual approval. This does not eliminate any possibility for either affordable housing or purchase by a private party, but just that the Department wants to move forward on it. Mr. Griffith inquired the manner in which the Department would move forward with the possible sale, asking if the Department would put it out to bid. Ms. Morgan stated that the Department has not decided that as yet. Further discussions would have to take place within the Department. The Chair stated, noting that there may be some competing interest, that may be the best way to go. Ms. Allaire Johnson stated that the Department needs to check on how the property was originally acquired and Ms. Morgan provided a copy of the Warranty Deed. Mr. Griffith asked if there were any restrictions and was the bond outstanding. Ms. Morgan stated she would check on the status of the bond. Mr. Griffith stated he would move approval to proceed to the next step with the caveat that this is not being seen in any way as conceptual approval to interested parties who have already stepped forward to identify themselves. Mr. Barry stated the Committee wants to insure that the State gets fair market value for the property.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for conceptual approval to convey property on Bishop Hill Road, Johnston. Inherent in the Motion is noted that this conceptual approval is not just directed toward interested parties, but probably through a bid process.

Passed Unanimously

ITEM H – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on Conservation Easement with the Westerly Land Trust over land located on the northerly side of Shore Road and southerly side of Tom Harvey Road in Westerly.

The Westerly Land Trust was awarded an Open Space Grant of \$300,000.00 in 2002 for the purchase of 135 acres of land in Westerly. In addition, it was awarded a Rhode Island Department of Transportation Enhancement Grant of \$300,000.00 for the acquisition project. The Open Space Grant provides 50% of the property. The property has been valued at \$1,536,450.00. The negotiated price is \$1,200,000.00. Funding is \$300,000.00 from the Rhode Island Department of Transportation Enhancement Grant, \$300,000.00 from the Rhode Island Open Space Grant, \$150,000.00 from the Champlin Foundation, \$150,000.00 from the Doris Duke Foundation, \$100,000.00 from the Lattner Foundation and \$200,000.00 from the Bafflin Foundation.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval and signatures on Conservation Easement with the Westerly Land Trust over land located on the northerly side of Shore Road and southerly side of Tom Harvey Road in Westerly.

Passed Unanimously

ITEM I – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on Purchase and Sales Contract with Promet Marine Services Corp. and Tidewater Terminal (Promet) for conveyance of 5.48 acres of land located at 242 Allens Avenue in Providence.

The Department was requesting approval to negotiate a Purchase and Sale Contract with Promet Marine Service Inc. for the surplus of property at 242 Allens Avenue. The Department appeared before the State Properties Committee on March 23, 2004, for conceptual approval and to move forward with an RFP. The Department proceeded with the RFP and received two proposals. One was from Promet Marine and the other company was New England Stone. The Department formed a review committee and the proposals were reviewed and scored. The proposals were similar except for price. Promet Marine offered \$1,026,780.00 for the property and New England Stone's bid was \$650,000.00. The Promet bid was just over the Department's appraised value. Ms. Allaire Johnson inquired about any environmental issues and discussion ensued regarding environmental issues and the appraised value of the property. The Department stated it did not feel that the value it got for the property was impacted by the potential of environmental issues. Ms. Allaire Johnson inquired if something happens in the future, how is the State going to be protected. Ms. Primiano stated there is indemnification language within the RFP and that it was included as part of the conditions of the sale. That indemnification language would be included in the Purchase and Sale contract. This property was condemned in 1911. The surplus process has been completed. Mr. Barry led a discussion regarding the value of the property in that area and referenced property that the Department of Transportation had acquired. Mr. Barry stated that the value for this property reflects \$4.30 per square foot for the property. He went on to say, that a substantial amount of land was acquired by the Department of Transportation for the I195 relocation project and he recalled that the Department of Transportation paid \$25.00 per square foot for the property it acquired in

that area. He questioned the value and questioned why this property was so low. There is a Providence Water Supply easement on the property.

A Motion was made by Mr. Griffith and seconded by Mr. Barry. to approve the request of the Department for approval and signatures on Purchase and Sales Contract with Promet Marine Services Corp. and Tidewater Terminal (Promet) for conveyance of 5.48 acres of land located at 242 Allens Avenue in Providence. Approval was granted subject to the Department of Environmental Management going back to the appraiser and reconfirm the appraisal with Peter Scotti & Associates.

Passed Unanimously

ITEM J – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for reiteration of conceptual approval to finalize Request for Proposals to dispose of 30,240 square feet of property and improvements located at One Franklin Square, Providence.

This property was acquired by condemnation for the I-195 Relocation Project. This entire property was purchased. It consists of approximately 35,000 square feet and houses an adult nightclub style operation with office space on the second and third floors. In March 2002 the Department came before the Committee and received conceptual approval to dispose of the property. Subsequent to that approval there was a case filed pending an assessment of damages and the final construction phasing plan was not developed enough and the Department decided to hold off on the sale until everything was finalized. The Court case with the owner has been settled. Construction has commenced and the Department would like to dispose of the property. In order to ensure that the construction project is not touched, the Department will be retaining a permanent

easement for access for emergency and request a ten (10) year lease to use the upper stories for a field office and some staff. This lease for space would be rent free.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for reiteration of conceptual approval to finalize Request for Proposals to dispose of 30,240 square feet of property and improvements located at One Franklin Square, Providence.

Passed Unanimously

Mr. Rick Kalunian spoke to the Committee regarding previous items presented. He referenced the item regarding The Providence Center. In the presentation made, there was an implication made the Department would be acquiring a substantial portion of their property on Plain Street for the I-195 Project. Mr. Kalunian clarified this and stated that The Providence Center has about one third of their parking on the Department of Transportation's property. In the 1980's the owner of the property had applied to the Department for a sale of a strip of land to increase the size of their parking lot and was supposed to move the fence line back to that point. What they did basically was to double it and paved and striped the area. He made this clarification for appraisal purposes.

Mr. Kalunian then spoke about the item presented by the Department of Environmental Management. He inquired from Lisa Primiano where the Promet site was and his understanding was that it is south of "Sprague Oil" on Allens Avenue and the only property that the Department has acquired in that area was from US Gen Inc. The Department bought a strip of land along Allens Avenue close to Davol Square, at Point Street. The Department paid \$15.00 per square foot for vacant land with the highest and best use for that strip in and of itself as parking area. Property south of the hurricane

barrier closer to Collier Point Park, with an environmental land use restriction, the Department paid \$2.00 per foot and \$1.00 per foot for some other property. He hoped that this information would help the Department of Environmental Management.

ITEM K – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on Amendment to Deed of Easement, Plat 2557A/Parcel 1B, in conjunction with the Greenwood Railroad Bridge, Warwick.

The Department had secured a three year temporary easement to construct the Greenwood Railroad Bridge. The Department needed to extend the time period. The Department had already done that with the private owners, but Amtrak has taken a while to get the Deeds back to the Department. There is no money compensation since the Department had compensated them at the time the easement was originally obtained.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval and signatures on Amendment to Deed of Easement, Plat 2557A/Parcel 1B, in conjunction with the Greenwood Railroad Bridge, Warwick.

Passed Unanimously

ITEM L – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on Amendment to Deed of Easement, Plat 2562A/Parcel 1B and 2B, in conjunction with the Cranston Street Railroad Bridge, Providence, Cranston.

The Department had secured a three year temporary easement to construct a utility bridge appurtenant to the Cranston Street Railroad Bridge. The Department needs to extend the time period. There is no money compensation since the Department had compensated them at the time the easement was originally obtained.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval and signatures on Amendment to Deed of Easement, Plat 2562A/Parcel 1B and 2B, in conjunction with the Cranston Street Railroad Bridge, Providence, Cranston.

Passed Unanimously

ITEM M – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on Deed with Denise DeNardo for acquisition of property on Evans Avenue, Tiverton, in conjunction with the Sakonnet River Bridge Relocation Project, Tiverton and Portsmouth.

On October 12, 2004 the Department obtained approval to acquire this property at the value of \$290,000.00. The owner has agreed with the value and is ready to close on the property. There are no changes since time of approval.

A Motion was made by and seconded by to approve the request of the Department for approval and signatures on Deed with Denise DeNardo for acquisition of property on Evans Avenue, Tiverton, in conjunction with the Sakonnet River Bridge Relocation Project, Tiverton and Portsmouth.

Passed Unanimously

All matters presented to the Committee were approved by all present.

There being no further business to come before the Committee, the meeting adjourned at 10:30 A.M.

Anne L. Lanni, Executive Secretary